

Colorado State Housing Board Policy
October 3, 2007

Funding Policies for Awarding Loans and Grants

The Colorado State Housing Board and Division of Housing believe that encouragement of public/private partnerships in providing an adequate supply of affordable housing to citizens of Colorado. As stated in the Colorado Revised Statutes, Section 24-32-702 (1): “further declared that coordination and cooperation among private enterprise and state and local government are essential to the provision of adequate housing...”

Whereas:

The State Housing Board’s goal is to increase affordability and long-term financial sustainability of Colorado’s affordable housing. It is CDOH policy to provide funding in the form of loans and grants subject to the following considerations:

1. Funding methods for non-profit and for-profit developers:

- A. Grants are the preferred method of funding provided to non-profits, while loans are provided to for-profit entities.
- B. In order to consider grant funding to a project presented by a for-profit entity,
 - 1) The project must build financial sustainability for any non-profit partner
 - 2) The project must protect permanent affordability
 - 3) The non-profit partner must be community based
 - 4) The project must include ongoing financial commitment by all partners
 - 5) The project must include equity investment by the for-profit partner

**See Affordability Policy for impact of grants vs. loans on the affordability period of project.*

2. Modification of Loan terms by the State Housing Board

- A. For loans whose terms are modified or determined by the State Housing Board, the Division of Housing will develop the capacity to originate loan payment schedules and amortization tables.
- B. The State Housing Board may include modifications to origination fees, interest rates, deferrals, payments, and loan terms; and may require security, including personal guarantees to facilitate the financing of the affordable development.